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Decision No. 79541

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE
AND TELEGRAPH COMPANY for authority
to establish the Chilcoot-Vinton
Special Rate Area in the Loyalton
Exchange. }

Application No. 52930
(Filed October 15, 1971)

OPINION AND ORDER

The Pacific Telephone and Telegraph Company has requested authority to establish the Chilcoot-Vinton Special Rate Area within the Loyalton Exchange, Sierra County, in accordance with Exhibits A and B of the application, to furnish urban grades of service at rates set forth in Exhibit C of the application and shown below, to withdraw suburban service within the special rate area, and to offer urban service outside the base rate area and the special rate area according to the rules in paragraph V of the application. A summary of present rates and proposed SRA rates follows:

	Rate Per Month	
	<u>Present</u>	<u>Proposed</u>
<u>BUSINESS</u>		
1-Party	\$12.50*	\$14.45*
2-Party	9.50*	10.55*
Semipublic	6.25*	8.20*
FBX Trunks		
Flat Rate - Each	\$18.75*	\$20.70*
Suburban	8.55	Not Offered
Farmer Line	4.00#	4.30#
<u>RESIDENCE</u>		
1-Party	\$ 5.65*	\$ 7.60*
2-Party	4.95*	6.00*
4-Party	4.05*	4.80*
Suburban	4.55	Not Offered
Farmer Line	2.00#	2.30#

*Plus suburban mileage charges for urban grades of service located outside the base rate area or proposed special rate area.

#Applicable to service connecting at the B.R.A. or S.R.A.

The Loyalton exchange serves about 400 telephones within the exchange. The special rate area covers approximately 0.9 square miles and consists of 56 residential establishments and 17 businesses. The economy of the area is based on agriculture.

The proposed special rate area is located $9\frac{1}{2}$ miles northeast of the base rate area of the Loyalton exchange on State Highway 70 in Sierra County. The company proposes to establish rates without mileage charges for urban grades of telephone service and to withdraw the suburban service now offered and furnished within the proposed special rate area.

Applicant proposes rates for primary urban grades of service within the Chilcoot-Vinton special rate area equivalent to Loyalton base rate area rates plus an increment equal to three-quarter miles suburban mileage charge. This increment gives appropriate consideration to development within the proposed special rate area, its distance from the base rate area and the effect of establishing the proposed special rate area upon the applicant's revenues.

Applicant's present and proposed rates for primary services within the proposed Chilcoot-Vinton special rate area shown in Exhibit C of the application are subject to the provisions set forth in ordering paragraph 3 of Decision No. 78851.

Applicant proposes to furnish Loyalton urban service outside the proposed special rate area or the base rate area at the rates of the special rate area plus suburban mileage charges to the nearest point on the special rate area boundary or at base rate area rates plus suburban mileage charges to the nearest point on the base rate area boundary, whichever results in the lower charge to the customer.

The increased authorized rates will not increase applicant's level of earnings but will partially offset the costs of providing the improved service. Including the effects of the higher rates the total net annual effect is an increase of \$300 annually. Thus these rate increases are consistent with the purposes of the Economic

Stabilization Act of 1970, as amended. Applicant is expected to comply with the requirements of the Price Commission's regulations relating to the stabilization of prices and rents after November 13, 1971.

It appears that granting the application will result in improved service in the public interest; therefore,

The Commission finds that a public hearing is not necessary and that such increases in rates and charges as will result are justified and that, for the future, present rates, insofar as they differ from those herein prescribed, would be unjust and unreasonable upon the establishment of the Chilcote-Vinton special rate area; therefore,

IT IS ORDERED that:

1. The Pacific Telephone and Telegraph Company is authorized to establish the Chilcote-Vinton special rate area in the Loyalton exchange with boundaries that are defined in Exhibits A and B attached to the application.
2. Coincident with the establishment of the special rate area, after not less than five days' notice to the public and to this Commission, The Pacific Telephone and Telegraph Company, in compliance with General Order No. 96-A, is authorized to file and make effective the proposed rates set forth in Exhibit C attached to the application together with rules affecting rates proposed in paragraph V of the application.
3. Coincident with the establishment of the special rate area authorized herein, The Pacific Telephone and Telegraph Company is authorized to withdraw the offering of suburban service within said special rate area.

The authorization granted herein shall expire unless exercised within 12 months of the effective date of this order.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 4th day of JANUARY, 1972.

[Signature]
Chairman
[Signature]
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Commissioners